

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE RESOURCES,	)	
INC. FOR AN ORDER AUTHORIZING THE	)	
ISSUANCE AND SALE OF UP TO \$100,000,000	)	
OF DEBT SECURITIES, 3,700,000 SHARES	)	CASE NO. 93-212
OF COMMON STOCK AND 2,000,000 SHARES	)	
OF PREFERRED STOCK	)	

O R D E R

On June 4, 1993, Equitable Gas Company ("Equitable"), a division of Equitable Resources, Inc. ("Equitable Resources"), filed an application seeking authority to issue and sell up to \$100 million in debt securities, 3,700,000 shares of common stock, and 2,000,000 shares of preferred stock. The amount of the combined proposed security issuances is \$220 million. Equitable is subject to the jurisdiction of the Commission. However, as a division of Equitable Resources, it does not have a separate capital structure, and the securities are to be issued by Equitable Resources subject to the approval of this Commission. The securities are to be issued through a Shelf Registration with the Securities and Exchange Commission for sale to the public in one or more issues in amounts, at interest rates, by methods and terms to be determined by market conditions at the time of sale.

The proceeds would be used to fund the acquisition of all outstanding capital stock of Louisiana Intrastate Gas Corporation and to retire short-term debt. The purchase price for the acquisition is approximately \$191 million. As of March 31, 1993,

Equitable Resources had \$70,500,000 in short-term debt outstanding. Equitable's Board of Directors authorized a security issuance of up to \$200 million. Equitable has requested approval from this Commission, pending approval of its Board of Directors, to issue an additional \$20 million to refinance commercial paper if it is economically attractive and to allow a possible over-allotment option to be granted to its underwriters for the purchase of common stock.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The issuance and sale by Equitable Resources of up to \$100 million in debt securities, 3,700,000 shares of common stock, and 2,000,000 shares of preferred stock are for lawful objects within the corporate purposes of Equitable Resources' utility operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, and are reasonably necessary and appropriate for such purposes and should, therefore, be approved.

2. The proposed issuance will have no effect on the operating costs or capital structure of the Kentucky jurisdictional operations of Equitable.

IT IS THEREFORE ORDERED that:

1. Equitable Resources be and it hereby is authorized to issue and sell up to \$100 million in debt securities, 3,700,000 shares of common stock, and 2,000,000 shares of preferred stock in an aggregate principal amount not to exceed \$220 million.

2. Equitable Resources shall agree only to such terms and prices that are consistent with the parameters set out in its application.

3. Equitable shall, within 10 days after its passage, file a copy of the resolution of its Board of Directors authorizing the additional \$20 million in securities, along with a net present value calculation supporting any refinancing of short-term debt.

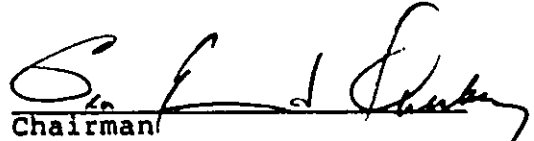
4. Equitable shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price received, the interest rate(s), the purchasers, and all fees and expenses, including underwriting discounts or commissions or other compensation involved in the issuance and distribution.

5. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

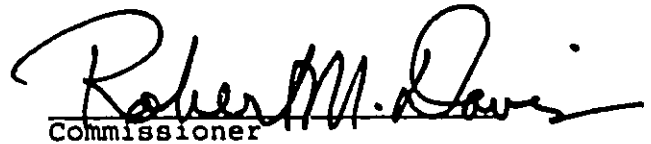
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 3rd day of August, 1993.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director